REMARKS

Independent Claims 1, 18, 27, 34, 43, and 50 have been amended.

Claims 1-66 are pending

Rejections

Claims 1-66 stand rejected under 35 U.S.C.§103(a) as being unpatentable over U.S. Patent No. 4,835,682, issued to Kurachi et al (hereinafter referred to as *Kurachi et al.*) in view of U.S. Patent No. 6,343,280, issued to Clark (hereinafter referred to as *Clark*). Applicants respectfully disagree with the rejections for at least the following reasons.

Independent Claims 1, 18, 27, 34, 43, and 50 have been amended to further clarify that which the Applicants seek to claim.

Claim 1 recites that an initial digital good is provided which "includes a plurality of selectively arranged parts in an initial configuration" and that the initial digital good is converted into a modified digital good "such that the plurality of selectively arranged parts in the modified digital good have been rearranged to have a substantially unique operative configuration that ... is different than the initial configuration".

Claim 18 recites that an initial digital good is received which "includes a plurality of selectively arranged parts in an initial configuration" and that the initial digital good is converted into a modified digital good "such that the plurality of selectively arranged parts in the modified digital good are rearranged to have a substantially unique operative configuration that ... is different than the initial configuration".

Claim 27 recites "receiving at least a portion of an initial digital good having a plurality of selectively arranged parts in an initial configuration" and converting the portion to selectively individualize the portion "such that a modified portion of the digital good is produced having the plurality of parts rearranged in a different configuration than the initial configuration".

Claim 34 recites an individualizer that is configured to receive at least a portion of an initial digital good "that includes a plurality of selectively arranged parts in an initial configuration" and produce at least a portion of a modified digital good "such that the plurality of selectively arranged parts in the modified digital good are rearranged to be operatively different in configuration than the initial configuration of the digital good".

Claim 43 recites an individualizer that is configured to receive at least a portion of an initial digital good having a plurality of selectively arranged parts in an initial configuration and output at least a portion of a modified digital good "such that in the modified digital good the plurality of selectively arranged parts have been rearranged to have an operatively different configuration than the initial configuration".

Claim 50 recites at least one individualizer configured to receive at least a portion of an initial digital good "that includes a plurality of selectively arranged parts in an initial configuration" and output at least a portion of a modified digital good "such that the plurality of selectively arranged parts in the modified digital good have been rearranged to be operatively different in configuration than the initial configuration of the digital good".

Neither *Kurachi et al.* and/or *Clark* disclose or otherwise reasonably suggest taking a digital good (or portion thereof) having a plurality of selectively

arranged parts in an initial configuration and rearranging such parts in a different configuration to produce a modified digital good (or portion thereof). Here, for example, unique key data can be used in the process of selectively rearranging the plurality of parts.

Instead *Kurachi et al.* teach that a digital good can be modified on a floppy disk using a floppy disk controller/drive that supports two different frequency modulation modes, namely a standard frequency modulation (FM) mode and a non-standard frequency modulation mode (MFM). There is no rearrangement of parts of a digital good.

Clark teaches that keys can be distributed by a software vender to a software user and a remote licensing agent, and that the remote licensing agent can be configured to execute certain instructions for the software user provided the validity of an appropriate license. This is a form of distributed processing. *Clark* does not teach that selectively arranged parts of a digital good (or portion thereof) are rearranged.

Consequently, the independent claims are patentable over the cited art. For at least these reasons and others, dependent **Claims 2-17, 19-26, 28-33, 35-42, 44-49, and 51-66** are also patentable over the cited art. It is therefore, respectfully requested that the rejections be reconsidered and withdrawn.

Respectfully Submitted,

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Dated: _12/20/2002_   By: _____

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